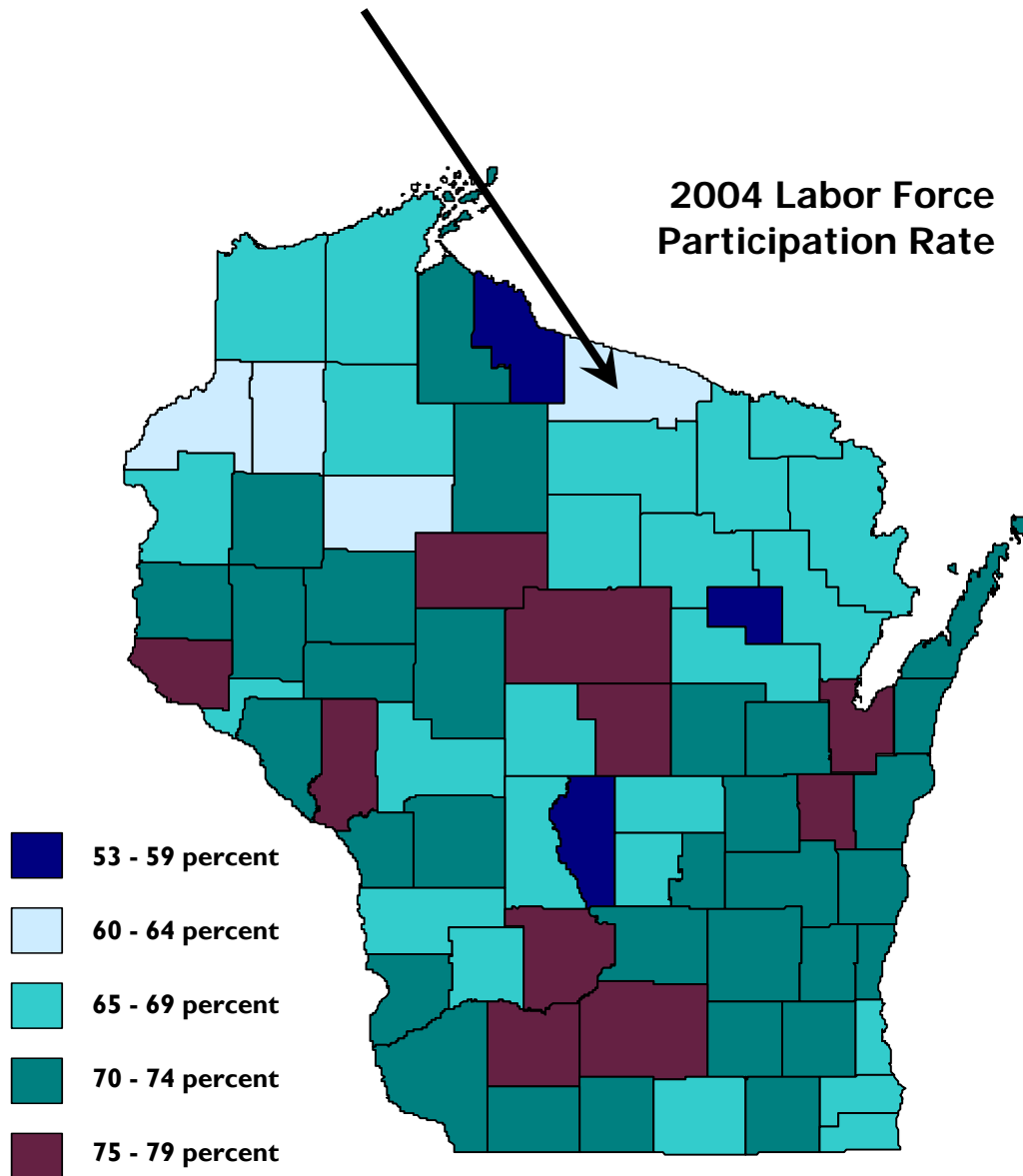


Vilas County Workforce Profile



Source: Estimates created by DWD, OEA using data supplied by
U.S. Bureau of Labor Statistics and U.S. Bureau of Census

Regional contact:
Dan Barroilhet
Office of Economic Advisor
1819 Aberg Av. Suite C
Madison, WI 53704
608.242.4885
Dan.Barroilhet@dwd.state.wi.us



State of Wisconsin
Department of Workforce Development
Office of Economic Advisors

December 2005

OEA-10656-P

County Population and Labor Force

Population trends affect the supply of workers, the willingness of employers to open, expand or continue local operations and the demand for goods and services. Vilas County's rate of population growth (5.6%) exceeds the state's (4.0%) and the nation's (4.9%). Listed below, the county's five most populous municipalities all lie on the county's southern border. These municipalities accounted for nearly 58 percent of the people living in the county and over 51 percent of the people added to the county's population.

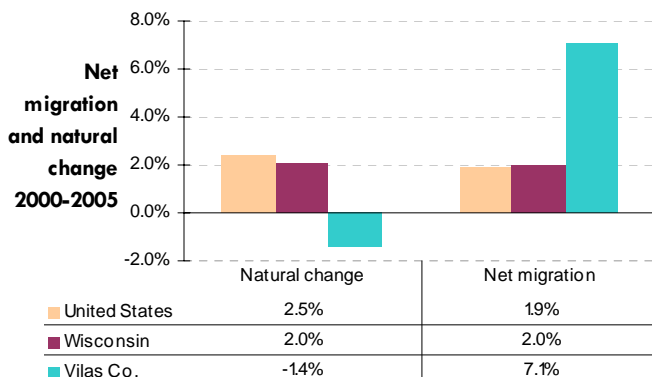
Often a rural county's natural population change (births minus deaths) will be smaller than its net migration (people moving in minus people moving out). This trend is particularly pronounced in Vilas County because it experienced fewer births than deaths (a negative rate of natural change). Wisconsin demographers expect more deaths than births in Vilas County through 2030 and expect net migration to slow significantly from 1,088 between 2000 and 2005 to a projected 613 between 2025 and 2030. If net migration slowed to the point where it did not compensate for the excess of deaths over births, the population would shrink. (While birth and death trends tend to be fairly predictable, net migration trends change more quickly and less regularly.)

The table to the right shows that Vilas County's participation rate (63.8%) is well below Wisconsin's (70.8%) and somewhat below the nation's (65.4%). Narrowing the focus to the 16-and-over population shows that Vilas County has

Five largest municipalities in Vilas County

	April 2000 Census	Jan. 1, 2005 estimate	Numeric change	Percent change
Vilas County	21,033	22,215	1,182	5.6%
Arbor Vitae, Town	3,153	3,284	131	4.2%
Lac du Flambeau, Town	3,004	3,156	152	5.1%
Lincoln, Town	2,579	2,715	136	5.3%
St. Germain, Town	1,932	2,068	136	7.0%
Washington, Town	1,577	1,630	53	3.4%

Source: Wis. Dept. of Administration, Demographic Services, August 2005



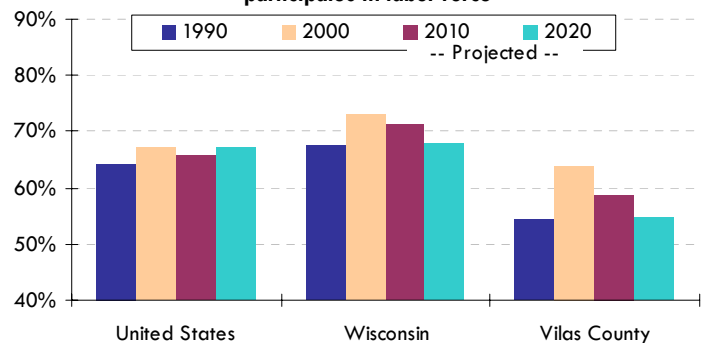
Source: WI Dept. of Admin., Demographic Services & US Census Bureau

Population and Labor Force

	United States	Wisconsin	Vilas County
Total population in 2000	281,424,602	5,363,715	21,033
Population est. Jan. 1, 2005	295,160,302	5,580,757	22,215
Change	13,735,700	217,042	1,182
% change	4.9%	4.0%	5.6%
2005 Labor force population*	224,837,000	4,339,938	18,567
Share of total population	76.2%	78%	83.6%
Labor force	147,125,000	3,071,179	11,845
Labor force participation rate	65.4%	70.8%	63.8%
2005 Population 16 yrs. & over	228,621,674	4,417,313	18,724
16-24 yrs old	37,489,370	743,764	2,451
Share of population 16+ yrs	16.4%	16.8%	13.1%
25-59 yrs old	142,248,896	2,708,865	9,577
Share of population 16+ yrs	62.2%	61.3%	51.1%
60 yrs and older	48,883,408	964,684	6,696
Share of population 16+ yrs	21.4%	21.8%	35.8%
Projected population: 2020	335,804,546	6,110,878	22,271
Population 16 yrs. & over	264,085,104	4,869,573	19,422
16-24 yrs old	37,918,865	681,586	1,229
Share of population 16+ yrs	14.4%	14.0%	6.3%
25-59 yrs old	150,678,402	2,756,884	9,198
Share of population 16+ yrs	57.1%	56.6%	47.4%
60 yrs and older	75,487,837	1,431,103	8,995
Share of population 16+ yrs	28.6%	29.4%	46.3%

* civilian population 16 yrs. and older not in an institution

Percent of labor force age population that participates in labor force



Source: special tabulation by OEA using US Census, US Bureau of Labor Statistics, WI Dept. of Admin. estimates and projections

lower concentrations of residents aged 16-24 years and 25-59-years while the county has a higher concentration of residents 60 or more years old. Population projections suggest that by 2020 residents aged 60 years or more will constitute a higher proportion of the 16-and-over population in Vilas County (46.3%) than in Wisconsin (29.4%) or in the United States (28.6%).

Revised Labor Force

All labor force estimates published from 1990 to 2004 have been revised. The more recent years reflect trends revealed during Census 2000 while the 1990s were updated to include changes from 1990 to 2000 but are still based on ratios from the 1990 census.

The annual averages in the table to the right hide seasonal fluctuations. In 2004 Vilas County's unemployment rate peaked at 9.2 percent in March and dipped to 3.9 percent in September. The labor force estimate bottomed out just over 8,500 in March and climbed to 13,100 people by August.

After the recession of the early 1990s, unemployment rates fell. Rates from the first half of the current decade reaffirm that unemployment rates are a lagging indicator of economic recovery. By the time unemployment rates peak, other economic indicators have been in more encouraging territory for a while. The lag appears to be a bit longer in Vilas County than in other Wisconsin counties. Moreover, the labor force estimate has been growing much more slowly after this recession than after the last.

Vilas County Civilian Labor Force Estimates

	Labor force	Employed	Unemployed	Unemployed rate
1990	8,282	7,821	461	5.6%
1991	8,532	8,028	504	5.9%
1992	8,926	8,467	459	5.1%
1993	9,395	8,912	483	5.1%
1994	9,921	9,352	569	5.7%
1995	10,530	10,027	503	4.8%
1996	10,932	10,422	510	4.7%
1997	11,120	10,584	536	4.8%
1998	11,147	10,635	512	4.6%
1999	11,316	10,830	486	4.3%
2000	10,983	10,452	531	4.8%
2001	11,349	10,754	595	5.2%
2002	11,765	11,087	678	5.8%
2003	11,720	10,936	784	6.7%
2004	11,845	11,129	716	6.0%

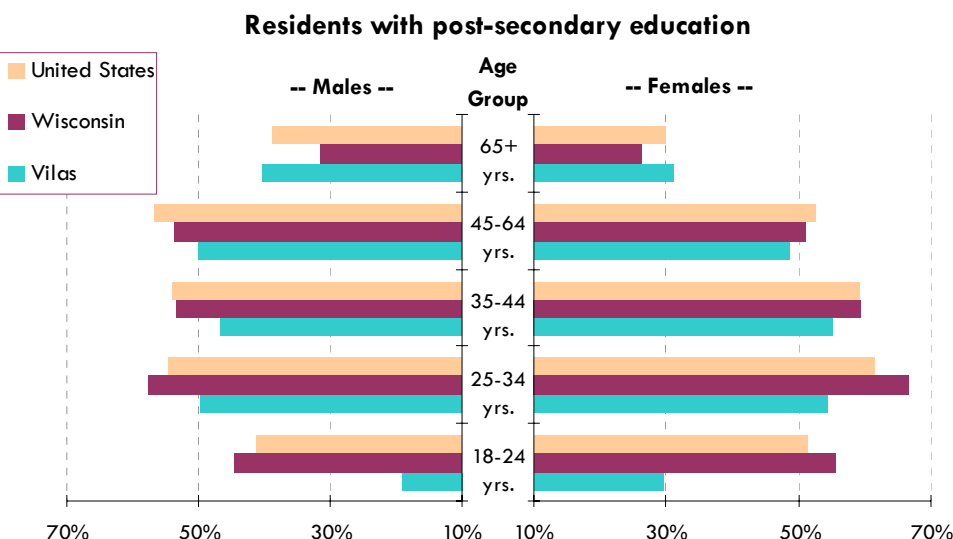
Source: DWD, Bureau of Workforce Information, Local Area Unemployment Statistics, September 2005

Education Attainment

Post-secondary education has become more important for each generation than it was for the last generation. Together, several trends increase the emphasis on education and training. As goods, services and labor travel more easily, international competition allows workers and employers all over the world to bid for the same contracts. Education and training help workers and employers maintain a competitive edge by

using current technology more effectively and improving the development or application of future technologies.

The graph below also shows a shift from older generations, where females have less post-secondary education than males to younger generations where they have more. As the economy shifted from male-dominated goods-producing industries to more balanced service-providing industries, social attitudes and employment laws changed to make education more economically valuable for females.



In age groups under 65, Vilas County has lower concentrations of residents with bachelor's degrees and residents with graduate or professional degrees, and moderate concentrations of residents reporting "some college but no degree". The high educational attainment of the 65-and-over group may reflect the in-migration of retirees who can afford lakefront property. Workers with 4-year degrees often gravitate toward metropolitan areas, where wages, industry mix and cultural are often more attractive.

Source: US Census 2000, Summary file 3, QT-P20

Employment and Wages

Educational attainment may be as much a product of employment and wage structure as a cause. Vilas County establishments pay wages about a third below the statewide all-industries average. Leisure & hospitality employment constitutes less than 10 percent of Wisconsin's jobs and nearly 24 percent of Vilas County's jobs. The high concentration of jobs in a sector with a low average wage pulls down the all-industries average wage. From 2003 to 2004, Vilas County added 226 jobs and 99 (or 43 percent) of them were in leisure & hospitality, so the sector's prominence grew. Retirees and vacationers boost leisure & hospitality employment, but wages in this sector do not keep up with housing price increases attributable to in-migration.

The education & health sector's average Vilas County wage (\$31,504) was nearly 87% of its average Wisconsin wage (\$36,408). Only one sector had a higher average wage and no sector's Vilas County wage was closer to its Wisconsin wage. Disregarding an anomalous spike in wages in the first quarter of 2003, the education & health services average wage would not have fallen from 2003 to 2004. Between 2005 and 2030, every age group containing residents under 60 years old is

Average Annual Wage by Industry Division in 2004

	2004 Wisconsin	2004 Vilas County	Percent of Wisconsin	1-year % change
All Industries	\$ 34,749	\$ 23,064	66.4%	-1.0%
Natural resources	\$ 27,399	\$ 26,402	96.4%	23.9%
Construction	\$ 41,258	\$ 31,418	76.2%	4.3%
Manufacturing	\$ 44,145	\$ 26,307	59.6%	-9.8%
Trade, Transportation, Utilities	\$ 30,088	\$ 22,220	73.9%	1.1%
Information	\$ 41,759	\$ 26,020	62.3%	-1.3%
Financial activities	\$ 45,103	\$ 28,509	63.2%	9.3%
Professional & Business Services	\$ 39,580	\$ 32,647	82.5%	5.0%
Education & Health	\$ 36,408	\$ 31,504	86.5%	-10.6%
Leisure & Hospitality	\$ 12,295	\$ 11,653	94.8%	-0.2%
Other services	\$ 20,207	\$ 15,534	76.9%	4.0%
Public Administration	\$ 36,347	\$ 25,952	71.4%	4.1%

Source: WI DWD, Bureau of Workforce Information, Quarterly Census of Employment & Wages

projected to shrink while the 60-and-over population adds nearly 3,400 people or 51 percent. This suggests more growth potential for health services than education services.

The trade, transportation and utilities sector employed an average of 1,652 people in 2004, and an average of 1,268 (or nearly 77 percent) of them were in the retail trade segment, where the average annual wage is \$19,823. While this low-wage segment gained 55 workers between 2003 and 2004, higher-wage segments like wholesale trade (\$33,677) and utilities (\$44,942) shed workers.

2004 employment and wage distribution by industry in Vilas County

	Employment		Total payroll		
	Annual average	1-year change		% of Total Employment	% of Total Payroll
Natural Resources	65	7	\$ 1,716,145		
Construction	923	48	\$ 28,998,544		
Manufacturing	468	-4	\$ 12,311,668		
Trade, Transportation, Utilities	1,652	52	\$ 36,707,625		
Information	96	1	\$ 2,497,963		
Financial Activities	316	-23	\$ 9,008,741		
Professional & Business Services	264	12	\$ 8,618,770		
Education & Health	1,142	6	\$ 35,977,037		
Leisure & Hospitality	2,049	99	\$ 23,877,276		
Other services	361	16	\$ 5,607,596		
Public Administration	1,349	11	\$ 35,009,508		
Not assigned	0	0	\$ 0		
All Industries	8,686	226	\$ 200,330,873		

Source: WI DWD, Bureau of Workforce Information, Quarterly Census Employment and Wages, June 2005

Industry and Employers by Size

Top 10 Employers in Vilas County

Establishment	Product or Service	Size (Dec. 2004)
Lac du Flambeau Band of Lake Superior	Tribal governments	1000+ employees
Northland Pines Schools	Elementary & secondary schools	250-499 employees
County of Vilas	Executive & legislative offices, combined	100-249 employees
T A Solberg Co Inc	Supermarkets & other grocery stores	100-249 employees
Bonsons Foods Inc	Supermarkets & other grocery stores	100-249 employees
Lac du Flambeau Public School	Elementary & secondary schools	100-249 employees
Howard Young Medical Group	Gen. medical & surgical hospitals	100-249 employees
North States Utility Contractors Inc	Power & communication system construction	50-99 employees
Aspirus Lillian Kerr Healthcare	Nursing care facilities	50-99 employees
Woodruff Arbor Vitae School	Elementary & secondary schools	50-99 employees

Source: DWD, Bureau of Workforce Information, ES-202, July 2005

Prominent industries in Vilas County

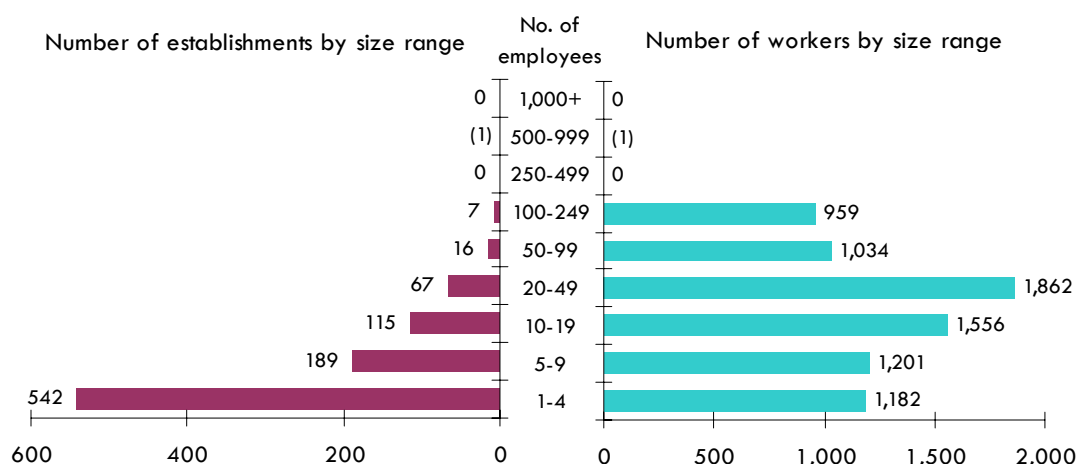
NAICS title	March 2005		Numeric change in employees	
	Establishments	Employees	2004-2005	2000-2005
Executive, legislative, & gen government	17	1,202	-3	80
Food services and drinking places	109	1,043	8	171
Educational services	9	705	-12	56
Accommodation	63	403	20	-25
Food and beverage stores	11	380	14	59
Construction of buildings	56	318	-14	26
Specialty trade contractors	74	283	1	-70
Nursing and residential care facilities	5	237	-4	7
Motor vehicle and parts dealers	19	187	-4	21
Building material & garden supply stores	18	155	-48	17

* data suppressed to maintain employer confidentiality

Column headings revised 02/06

Source: DWD, Bureau of Workforce Information, ES-202, September 2005

Vilas County establishments and workers by employment size range in 2004



(1) Data not available due to suppression factors

Source: DWD, Bureau of Workforce Information, Table 221, July 2005

Some employers and industries offer goods or services primarily for local consumption. The future of such employers relies on local income and demographic trends. As the younger population shrinks and the older population grows, health-care services employment will probably show more growth potential than educational services employment.

Other industries and employers provide goods and services to people outside the area or otherwise generate revenue from outside Vilas County. To varying degrees, accommodation establishments (like resorts and hotels) and food service and drinking places bring money in from the outside. The lists on this page do not suggest that Vilas County exports large amounts of high value-added goods and services. Indeed, the local economy requires people to show up with money to spend.

The graphs to the left show large numbers of establishments with small numbers of employees, small numbers of establishments with large numbers of employees, and employment distributed evenly among large and small establishments. These graphs represent 2004 averages while the top employer lists represent a point in time.

Per Capita Personal Income

While page 3 discussed wages paid by Vilas County employers, this section focuses on income received by Vilas County residents, regardless of whether the income is the result of work outside the county, investment/pension payment or government transfers such as Social Security or other income support programs. The table below shows that Vilas County's 2003 Per Capita Personal Income (PCPI) of \$25,664 was 37th among Wisconsin's 72 counties and the 5-year PCPI growth rate of 13.0 percent was 63rd.

Areas with high PCPI often have high concentrations of professional and technical jobs or amenities that attract high-income retirees. Residents of high-PCPI suburbs often commute to take high-wage jobs in low-PCPI urban areas. Housing prices tend to be significantly higher in high-PCPI suburbs than in low-PCPI rural areas.

Compared to the state as a whole, Vilas County has a higher concentration of jobs in low-wage industries like leisure & hospitality and other services, a lower concentration of jobs in high-wage industries like manufacturing and professional & business services and low averages wages in industries with professional and technical workers.

The high concentration of retirement-aged residents and their lower labor force participation rate pulls down per capita employment earnings. Net earnings constitute just 51 percent of the county's total income. National and statewide figures are closer to 69 percent to 70 percent. Dividends, interest and rent (investment and pension income) make up nearly 27 percent of Vilas County's in-

come and about 16 percent of statewide and national income. Transfer payments to county residents are over 23 percent of the county's total income. National and statewide figures are closer to 14 percent to 15 percent. Together, these trends may suggest that Vilas County's in-migrants raise Social Security receipts and investment income more than wages.

Wisconsin Counties 2003 Per Capita Personal Income and Rank in State

Area	2003	Rank	5-yr growth	Rank	Area	2003	Rank	5-yr growth	Rank
United States	\$ 31,472		17.1%		Manitowoc	\$ 27,807	27	13.6%	59
Wisconsin	\$ 30,685		17.2%		Marathon	\$ 29,992	16	22.0%	5
Adams	\$ 22,804	59	16.1%	37	Marinette	\$ 25,448	39	21.3%	9
Ashland	\$ 23,204	55	16.6%	32	Marquette	\$ 22,590	64	26.5%	1
Barron	\$ 24,922	41	15.2%	44	Menominee	\$ 18,449	72	19.8%	16
Bayfield	\$ 22,660	62	13.4%	60	Milwaukee	\$ 31,419	7	19.5%	18
Brown	\$ 32,076	5	17.8%	25	Monroe	\$ 23,467	54	16.8%	31
Buffalo	\$ 29,083	20	17.2%	28	Oconto	\$ 24,842	42	12.3%	66
Burnett	\$ 22,796	60	17.1%	29	Oneida	\$ 28,646	22	18.7%	21
Calumet	\$ 31,880	6	21.4%	8	Outagamie	\$ 30,952	11	20.5%	14
Chippewa	\$ 25,999	36	12.3%	67	Ozaukee	\$ 47,527	1	14.7%	48
Clark	\$ 22,227	66	13.9%	55	Pepin	\$ 24,407	44	13.0%	64
Columbia	\$ 30,846	12	18.2%	24	Pierce	\$ 27,963	26	18.6%	23
Crawford	\$ 22,628	63	20.9%	13	Polk	\$ 24,201	46	13.9%	54
Dane	\$ 36,455	3	21.0%	12	Portage	\$ 27,464	30	21.1%	11
Dodge	\$ 26,048	35	13.3%	61	Price	\$ 24,361	45	12.2%	68
Door	\$ 30,657	13	15.9%	40	Racine	\$ 31,271	8	15.0%	45
Douglas	\$ 23,568	53	15.3%	43	Richland	\$ 23,829	51	21.9%	6
Dunn	\$ 22,885	58	14.9%	47	Rock	\$ 28,256	25	14.1%	50
Eau Claire	\$ 27,469	29	17.5%	27	Rusk	\$ 20,461	71	14.0%	52
Florence	\$ 24,146	47	25.3%	3	Sauk	\$ 28,780	21	19.5%	19
Fond du Lac	\$ 29,951	17	16.1%	38	Sawyer	\$ 23,921	50	22.3%	4
Forest	\$ 21,975	68	25.4%	2	Shawano	\$ 23,941	49	13.9%	56
Grant	\$ 24,116	48	15.6%	42	Sheboygan	\$ 31,251	9	19.8%	17
Green	\$ 28,542	23	14.0%	51	St. Croix	\$ 31,091	10	13.6%	57
Green Lake	\$ 26,962	32	8.1%	72	Taylor	\$ 23,020	56	16.6%	34
Iowa	\$ 27,308	31	19.2%	20	Trempealeau	\$ 25,242	40	18.7%	22
Iron	\$ 22,912	57	21.1%	10	Vernon	\$ 20,950	70	15.7%	41
Jackson	\$ 26,084	34	21.9%	7	Vilas	\$ 25,664	37	13.0%	63
Jefferson	\$ 29,330	18	16.5%	35	Walworth	\$ 27,626	28	13.6%	58
Juneau	\$ 22,382	65	12.7%	65	Washburn	\$ 22,794	61	16.0%	39
Kenosha	\$ 29,117	19	16.5%	36	Washington	\$ 35,196	4	14.9%	46
Kewaunee	\$ 25,536	38	8.8%	71	Waukesha	\$ 41,551	2	12.2%	69
La Crosse	\$ 28,284	24	16.8%	30	Waupaca	\$ 26,863	33	14.0%	53
Lafayette	\$ 21,983	67	10.1%	70	Wausara	\$ 21,762	69	13.2%	62
Langlade	\$ 23,739	52	20.4%	15	Winnebago	\$ 30,359	15	16.6%	33
Lincoln	\$ 24,725	43	14.6%	49	Wood	\$ 30,401	14	17.7%	26

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, Regional Economic Information System, May 2005